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USSR - Communist China: Yesterday's meeting between Kosygin and Chou En-lai in Peking suggests that both sides wish to head off the possibility of a general conflict.

The short statement from Moscow on the meeting said merely that Kosygin and Chou met by "mutual agreement" and that "the two sides openly explained their positions and held a conversation useful for both sides." [The Chinese statement was even more terse. Peking announced that Chou En-lai met Kosygin, "who was on his way back home," at Peking airport. The statement simply said that "frank talks were held."]

The meeting was brief and took place on short notice. The trip may have resulted from soundings taken by the two parties while in Hanoi following Ho Chi Minh's death, but obviously the green light for the visit came at the last moment.

While it is not known which side took the initiative in arranging the meeting, the fact that it took place at all suggests that both see danger in the steadily rising tension between them. Recent reports that the USSR is planning a pre-emptive strike against the Chinese have no doubt aroused anxiety in Peking. The Russians, for their part, have lately spent some effort in putting down speculation to this effect.

Kosygin's visit to the Chinese capital at least serves to show that the Russians have tried by every means to make their position plain to the Chinese. Peking probably saw a similar advantage in receiving Kosygin. Given the shortness of time and the evident lack of give on both sides, it seems unlikely that the talks could have accomplished more than these purposes.

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The Soviets continue to insist that, while they are ready to talk with the Chinese on border issues, Peking must take measures "that would make violations of the Soviet frontier impossible." Despite their apparent nervousness, the Chinese are unlikely to meet these terms. Thus the Kosygin-Chou talks may, at most, put a temporary brake on the deterioration in relations.

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[South Vietnam: Communist forces have resumed their offensive activity following the three-day cease-fire.

With the expiration of their self-imposed period of mourning, enemy units launched 34 rocket and mortar attacks, nearly 75 percent of which were against allied bases in III Corps and north of Saigon.

25X1 [] an up-surge of sapper and terrorist activity in the Saigon area, possibly sometime this month. []

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Communists are renewing efforts to cache weapons and infiltrate special cadres into the region. Rocket launchers and submachineguns are coming into Saigon by boat from the delta and more training courses in urban street fighting and underwater demolition are being given to Communist agents already in the city.

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Cambodia: Chief of State Sihanouk opened new substantive talks with North Vietnamese leaders during his trip to Hanoi for Ho Chi Minh's funeral.

Sihanouk indicated publicly in Phnom Penh that the talks touched on the major issues that have been an increasing source of tension between the two sides over the past year. He claimed that North Vietnamese Premier Pham Van Dong had made "many promises." Sihanouk also made it clear that he considers such Vietnamese "promises" of only limited value.

Sihanouk has been trying to get North Vietnam to sign a border agreement for almost five years. The importance of Cambodia to the Communists' war effort, and the fact that Sihanouk is now holding up arms and ammunition deliveries to Communist forces, may make North Vietnam more responsive to Sihanouk's desires. This presumably will be the major topic Pham Van Dong will discuss with Sihanouk during his forthcoming trip to Cambodia.

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South Korea: The third term amendment is expected to be approved by the National Assembly tomorrow.

President Pak's forces have lined up enough votes for the required two-thirds majority. The opposition group's only hope is the unlikely defection from the governing party of known critics of the third term.

Although the opposition in its frustration may attempt a sit-in in the assembly or even take more violent measures to obstruct the voting, these tactics probably would not block parliamentary procedure. Such actions, however, would probably result in unfavorable publicity for the government and might complicate the regime's plans for final adoption of the amendment by referendum next month.

Student demonstrations against the amendment have continued daily in Seoul and other centers, but government control measures have been skillfully applied and have been effective thus far in preventing serious agitation. There is considerable sentiment among the people against the principle of a third term, but President Pak's threat last July to resign immediately if rebuffed on this issue and the absence of an attractive alternative are serving to mute this feeling. [REDACTED]

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Czechoslovakia: Ultraconservatives are expanding their efforts to discredit former party leader Dubcek and other reformers and are seeking to begin a major purge of the party next week.

In the most extreme commentaries published to date, two conservative-controlled publications yesterday in effect accused Dubcek and others of treason. The head of the federal press office has called for a purge of party and state organizations. The party's central committee probably will meet in plenary session next week. One liberal has stated that he expects as many as 40 central committee members out of approximately 183 to be expelled. Some ultraconservatives are even pressing to have certain liberals arrested and tried.

President Svoboda is continuing to balk at the demands that Dubcek and parliamentary leader Smrkovsky be dropped now from all party and other official positions. Party leader Husak, however, is said to be equivocating on this important symbolic issue, even though he had earlier said he would not tolerate political trials.

The plenum's decisions on the political fate of Dubcek and Smrkovsky will show how much influence Svoboda retains, and whether Husak, for reasons of political expediency, has accepted the extremists' demands. Should Husak bow to the ultraconservatives on this issue, his ability to control the party and retain freedom of action will be further limited.

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France: French labor unions have sharpened their attacks against the government's post-devaluation program.

Labor claims that the program, which aims at a balanced budget by cutting expenditures, hits workers and the less privileged the hardest. The unions, with the Communist-led General Confederation of Labor (CGT) in the vanguard, have called for coordinated action at the local level but thus far have announced no plans for large-scale strikes. A ranking CGT official has described the workers' reaction to the government measures as very bad but not explosive and has discounted the possibility of a great upheaval.

In planning their course of action, union officials are caught between conflicting aims. The leadership anticipates the opening of wage negotiations with the government sometime this fall. It, therefore, is anxious to build up a strong bargaining position before presenting its demands. At the same time, union leaders are aware that extremists might lead the workers into a chaotic situation in which the workers themselves suffer most, as a CGT official puts it. Most important, union officials are anxious to prevent a recurrence of the 1968 situation, when the rank and file acted spontaneously and forced the leadership to go along with its actions.

The results of a recent poll show that a majority of Frenchmen share labor's discontent with the government's program and are pessimistic about the economic and social outlook. Nonetheless, 53 percent of those queried expressed satisfaction with the government.

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Brazil: The government has reinstituted the death penalty which had been abolished in 1940 except for war crimes. The specific crimes to which the penalties apply are so vaguely defined that many Brazilians who have opposed the military government reportedly intend to take cover or flee rather than wait to see how the government will use its new powers. This new Institutional Act, as well as its predecessor, which makes it possible to banish people for the crime of "subversion," will undoubtedly please tough-minded military officers and may buy the governing triumvirate a bit more time. Officers are generally agreed, however, that the junta must go, and they continue to negotiate on "who, when, and how." [REDACTED]

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East Germany - Cambodia: Pankow has extended its first economic credit to Phnom Penh, probably in return for recent diplomatic recognition. Although specific projects have not been announced, the \$12-million credit may in part finance projects previously proposed by West Germany. These projects will probably be forfeited now that Phnom Penh has severed diplomatic relations with Bonn. West Germany had committed about \$18 million for several Cambodian projects, including a railway, a slaughterhouse, and a share in financing a dam on the Mekong River.

East Germany also signed economic aid agreements with Syria, Iraq, and the Sudan after it had been recognized by these countries. [REDACTED]

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25X1 Peru: Vice Admiral Enrique Carbonel has been sworn in as the minister of navy and becomes the third member of the military junta, which is composed of the commanders of the three services. Earlier this year Carbonel led an investigation into activities of the central bank, resulting in the resignations of two of the leading moderates in the cabinet. The appointment of Carbonel to fill the vacancy left by the death of Admiral Navarro should strengthen President Velasco's position in the government but will not significantly affect government policies, which are firmly controlled by General Velasco. [REDACTED]

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25X1 Argentina: Leftist university students plan to demonstrate their opposition to the Ongania government by holding a national student strike today. The strike is to cap a "struggle week" commemorating the deaths of student demonstrators in September 1966 and May 1969. It should be effective in many parts of the country. The strike could spark violence in Rosario where several hundred student demonstrators damaged some buildings, including the USIS center, with molotov cocktails earlier this week. The students in Rosario are also trying to gain support from railroad workers who began a 72-hour wildcat strike on 10 September. [REDACTED]

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25X1 Africa: The sixth annual conference of the Organization of African Unity (OAU) ended rather uneventfully on Wednesday. The heads of state once again failed to make any headway toward ending the Nigerian civil war, the principal issue at the two previous summit meetings, despite some rumors of a possible cease-fire and intense lobbying for Biafra by Tanzania's President Nyerere. The Israeli raid on Egypt, which occurred as the conference was ending, caused the OAU to lean more toward the Arab side than previously in expressing concern over the Middle East situation. [REDACTED]

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